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New York.

The Baltimore and Ohio
Railroad Company

New York

[1924]

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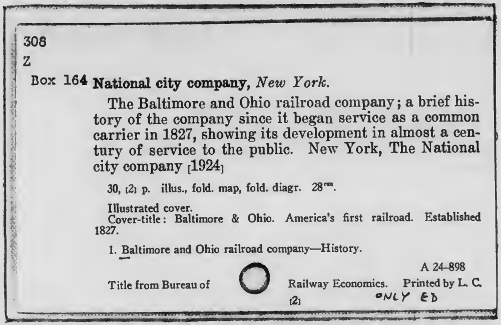

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Box 164

National city company, *New York.*

The Baltimore and Ohio railroad company; a brief history of the company since it began service as a common carrier in 1827, showing its development in almost a century of service to the public. New York, The National city company [1924]

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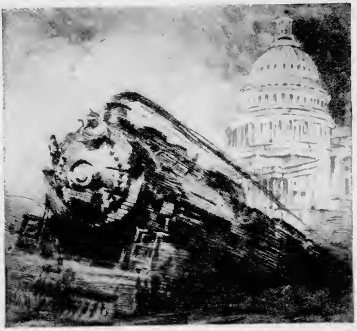

Baltimore & Ohio

America's First Railroad

Established 1827

308
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Box 164

The
BALTIMORE & OHIO RAILROAD COMPANY

A BRIEF HISTORY OF THE COMPANY SINCE IT BEGAN SERVICE AS A COMMON CARRIER IN 1827 SHOWING ITS DEVELOPMENT IN ALMOST A CENTURY OF SERVICE TO THE PUBLIC

LIBRARY OF CONGRESS CARD
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THE NATIONAL CITY COMPANY
HEAD OFFICE, NATIONAL CITY BANK BUILDING, NEW YORK

Offices in more than fifty leading cities of the United States and Canada

We take pleasure in acknowledging the kindness of The Baltimore and Ohio Railroad in allowing us to reproduce the drawing on the cover of this book; also for the use of the photographs contained herein. We also acknowledge the cooperation of the Baldwin Locomotive Company in providing us with the pictures of locomotives, and the Poor's Publishing Company for the use of the map of the System.

The National City Company

CSB Mar. 11, 1925
ABT

Foreword

WHEN the prophet Joel spoke of men "dreaming dreams and seeing visions" he must have had in mind such men as Philip E. Thomas, the first President; George and Alexander Brown and Charles Carroll and their associates who visualized the possibilities of rail transportation and incorporated, constructed, and began the operation of the Baltimore & Ohio Railroad,—the first railroad in the United States. Messrs. George and Alexander Brown were leading merchants of Baltimore. Charles Carroll of Carrollton was at that time the only surviving signer of the Declaration of Independence. The honor of laying the first stone of the Baltimore & Ohio Railroad was given to him. He is quoted as having said on that occasion (July 4, 1828), "I consider this as one of the most important acts of my life, second only to that of signing the Declaration of Independence, even if second to that."

The promoters of this enterprise were men who were capable of dreaming dreams and making them come true and of seeing visions that were indeed prophetic. It seems hardly possible—even with their remarkable perspicacity—that they could have conceived they were blazing a highway of traffic which would form a connecting link to all parts of the world and also open up domains of iron and coal which were greater than the world had ever known. If the founders of this property could see the result of their initiative as it exists today they would feel amply repaid for the hardships and disappointments which they incurred in the early stages of this enterprise. They would find that their successors too had been men of dreams and visions who were capable of realizing the natural resources and agricultural possibilities of the United States and had gone beyond their functions as carriers to provide facilities which would place these products in the competitive markets of the world.

While it is the purpose of this booklet to show the development of the Baltimore & Ohio since its beginning, it is also our desire to point out to those who labor in the mines, forests, factories, iron and steel mills, agricultural pursuits and all other lines of industry and commerce, the assistance which this road, as well as other trunk line railroads, is constantly giving to their line of endeavor. In other words, to show that a trunk line railroad is more than a highway of traffic between domestic points—it should be regarded as a highroad to the markets of the world. The benefits accruing from successful railroad operation are by no means limited to the security holders, but are part and parcel of our national prosperity. As the railroads are prosperous, so is the country, and depression in railroad traffic and earnings is an indication of the general slowing down in commerce and industry, as well as an era of low prices and unemployment.

THE CAPITAL LIMITED

This is the Baltimore & Ohio popular train between New York and Chicago passing through the picturesque Potomac River Valley. Between New York and Chicago this train serves such important points as Philadelphia, Baltimore, Washington and Pittsburgh. The route of The Capital Limited is one of the most picturesque of the railroad passenger service between New York and the Middle West

BALTIMORE & OHIO RAILROAD COMPANY

A CENTURY OF RAILROAD DEVELOPMENT

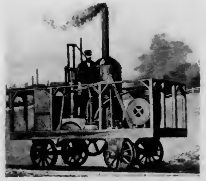
THE Baltimore and Ohio Railroad Company was incorporated under the laws of the States of Maryland and Virginia in the early part of 1827 and construction on the nucleus of the present system was begun almost immediately. The Baltimore & Ohio Railroad, therefore, has the distinction of being the oldest trunk line in the United States, and for the purpose of showing the development of this property in the past ninety-seven years some of the interesting facts regarding the railroad are given herewith.

EARLY HISTORY

The first section of the Baltimore & Ohio System was completed in 1830, the line extending from Baltimore to Ellicott's Mills, a distance of 15 miles. During the next two years the road was extended from Ellicott's Mills (now known as Ellicott City) to Frederick, Md., a distance of 43 miles. The first motive power used for the movement of traffic was horses and for some time it was an open question as to whether or not horses or steam would make for the most successful operation of the trains. This matter was finally settled by the reports of successful locomotive operation on the Liverpool & Manchester Railway, in England, which was made in 1829. In that year Peter Cooper constructed an experimental locomotive which was put in service on the Baltimore & Ohio Railroad.

Even in its early years the Baltimore & Ohio had progressive management. In 1831 the Company offered a premium of $4,000 for the most approved locomotive that would be delivered for trial upon the road on or before the first of June, 1831, and $3,500 for the engine that would be adjudged the next best. The requirements were as follows:

> "The engine, when in operation, must not exceed three and one-half tons weight, and must, on a level road, be capable of drawing day by day fifteen tons, inclusive of the weight of wagons, fifteen miles per hour."



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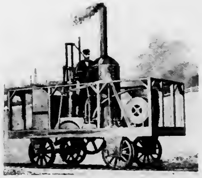

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Quite in contrast to the "Tom Thumb" is this modern coal-burning Baltimore & Ohio passenger engine of today

Three engines were submitted in this competition, but only two measured up to requirements. Were these locomotives in existence today they would be a curiosity compared with the giant locomotives in use on the Baltimore & Ohio at present, many of which weigh over 600,000 pounds, have a tractive force of over 80,000 pounds, and are capable of hauling a loaded train one mile in length. The Baltimore & Ohio was the first road in the United States to adopt the 8-wheel car. In fact, the history of the Company indicates that it ranked among the first in adopting all modern improvements in railroad equipment and appurtenances as fast as their worth was proved.

The first time table on record was published by the Baltimore & Ohio and read as follows:

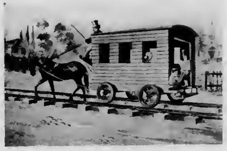
> "A sufficient number of cars being now provided for the accommodation of passengers, notice is hereby given that the following arrangements for the arrival and departure of carriages have been adopted, and will take effect on and after Monday morning next the 5th instant, viz.:
>
> "A brigade of cars will leave the depot on Pratt St. at 6 and 10 o'clock A. M., and at 3 to 4 o'clock P. M., and will leave the depot at Ellicott's Mills at 6 and 8½ o'clock A. M., and at 12½ and 6 P. M.
>
> "Way passengers will provide themselves with tickets at the office of the Company in Baltimore, or at the depot at Pratt St. and Ellicott's Mills, or at the Relay House, near Elk Ridge Landing.
>
> "The evening way car for Ellicott's Mills will continue to leave the depot, Pratt St., at 6 o'clock P. M. as usual.
>
> "N. B. Positive orders have been issued to the drivers to receive no passengers into any of the cars without tickets.
>
> "P. S. Parties desiring to engage a car for the day can be accommodated after July 5th."

The first object of the Company was the construction of a line of railroad from the City of Baltimore to a point on the Ohio River and following this objective, from 1832 to 1865 the mileage of the Company was increased to 513 miles, which, according to the book investment of cost of road, averaged $50,000 per mile. From 1865 to 1896 the road extended westward with branches and feeders leading into rich bituminous coal fields located on or near its main arteries of traffic.

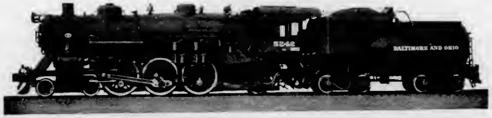
TERRITORY SERVED

The fixed policy of the Company in extending its lines to reach the agricultural and industrial sections in its territory, as well as to open up new coal regions, has made its railroad one of the best strategically located systems in the United States. Its lines extend from Philadelphia, Pa. to Baltimore, Md.; Washington, D. C. to Cumberland, Md., from which a line runs via Pittsburgh to Chicago and another via Cincinnati to St. Louis. It also controls its own freight terminals at the port of New York through ownership of the Staten Island Rapid Transit Company and the Staten Island Railway, and also has extensive freight and passenger terminals in Chicago through ownership of the Baltimore & Ohio-Chicago Terminal Railroad. The Company has branch lines from the northern main line reaching the following ports on Lake Erie: Fairport, Cleveland, Lorain, Sandusky and Toledo. In connection with the Reading Company and the Central Railroad of New Jersey, a through freight route is maintained on the Baltimore & Ohio road between Philadelphia and New York and a through passenger route from Philadelphia to Jersey City and New York through agreements with the Reading Company, the Lehigh Valley, and Pennsylvania Railroad Companies.

In fine the Baltimore & Ohio System has been extended until today it serves the population of 11 states and reaches 167 cities. The System's total mileage now consists of 5,207 miles of road and 10,307 miles of track. These figures do not include the mileage of the Staten Island Lines and the terminals in Chicago, having combined mileage of more than 100 miles. These terminal properties, while owned by the Baltimore & Ohio, are separately operated.



The steam engine was an unknown factor before 1830 so the first B. & O. passenger car was a one-horse affair



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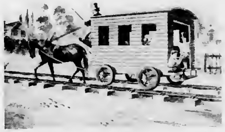

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ACQUISITION OF STOCK IN THE READING COMPANY

In 1903 the Baltimore & Ohio acquired a substantial interest (21.67%) in the Reading Company; that Company owning control of the Philadelphia & Reading Railway Company and the Central Railroad of New Jersey. The lines of these companies form an essential part of the Baltimore & Ohio through line to New York City and to its freight terminals on Staten Island and also form its connection with the New England carriers. At the same time a like amount of Reading Company stock was purchased by the New York Central Railroad. The combined holdings of the Baltimore & Ohio Railroad Company and the New York Central Railroad Company is $60,515,000, or 43.225% of the outstanding capital stock of the Reading Company.

ACQUISITION OF CINCINNATI, HAMILTON & DAYTON

In 1909 the Baltimore & Ohio entered into agreements for the acquisition in 1916 of the old Cincinnati, Hamilton and Dayton Railway Company. The operations of that road under Baltimore & Ohio control and management were progressing satisfactorily. Before the acquisition could be fully accomplished, however, the line was practically wrecked by the devastating flood of March, 1913, which caused suspension of traffic to such an extent as to prevent the Company from meeting its financial obligations, and a receivership resulted. In the reorganization of the property, the less productive lines were eliminated, and in 1917 the line from Cincinnati to Toledo, and from Dayton to Wellston, was acquired by the Toledo & Cincinnati Railroad Company, a subsidiary of the Baltimore & Ohio, adding about 400 miles to that Company's system. In this reorganization the Baltimore & Ohio also acquired a one-third ownership in the Southwestern Construction Company, which latter Company owns control of the Cincinnati, New Orleans and Texas Pacific Railway Company.

DEVELOPMENT OF PROPERTY 1900-1923

Altogether since 1900 the Company has acquired by purchase nearly 1,700 miles of road at a cost in cash and obligations assumed of about $135,000,000. In addition to the cost of the lines acquired by purchase, the Baltimore & Ohio has expended for additions and betterments to road and in the construction of new lines over $179,000,000, or an average of over $7,600,000 per annum, after deducting expenditures for renewals and replacements of existing facilities. Over 250 miles of first main track, 700 miles of other main tracks and nearly 1,000 miles of other track have been constructed and placed in service. Among the more notable work undertaken was the construction of what is known as the Magnolia Cut-off, a new low grade double track line through the mountains, which together with the construction of additional second, third and fourth tracks and the extension of passing tracks gave the Company a continuous three track line for 57 miles through that section of the property where the traffic density was the highest of any point on the system, having at times been in excess of 24,000,000 ton miles per mile of road per annum.

The greatest development in the history of the Company has taken place since 1900. During that time there has been expended on the property and the acquisition of securities of controlled or affiliated lines $533,300,000. Of this amount $447,400,000 was raised through capital stock and funded debt issues and $86,000,000 from surplus and other sources. Of the increase in capital obligations $107,000,000 was in common stock, $277,000,000 was in mortgage bonds, including over $31,000,000 of obligations issued by subsidiaries and assumed by the Company; $59,600,000 was in equipment obligations maturing serially and the remainder was in miscellaneous obligations and capitalized leaseholds. The expenditures on the physical property took the form of additional second, third and fourth main tracks and sidings, terminal facilities, improved machine shops and round houses, with large storage and freight houses at important traffic centers and terminals. As a result this Company in 1923 not only handled the largest business in its history, but did so with such ease and dispatch as to indicate its ability to handle a very much larger volume of traffic with the facilities now available. In other words, the Baltimore & Ohio is one of the few systems in the United States that is built for a considerable period beyond its present day requirements.

The carrying out of this program during the past ten years was done in the face of many difficulties, which included the period of Government control and the period of deflation which followed. These difficulties were augmented by the strike of the coal miners and the strike of the shop crafts, which took place in 1922, as well as the loss of revenue which these events occasioned. While there are no figures available as to what these strikes cost the Company in actual dollars, it is safe to say that the loss entailed ran into millions.

Despite these factors the Company's policy of improving its property has been carried on without interruption. As an example, in 1919 it sold an issue of $35,000,000 10-year 6% Notes, and, in accordance with the resolution of the Board of Directors and under the provisions of the indenture securing this issue, the Company in each year beginning July 1, 1919, after providing for the payment of its fixed charges, was required to set aside out of net income not less than

$3,500,000 per annum until a total of $17,500,000 had been set aside, this sum to be used, from time to time, solely for capital expenditures or for paying off maturing funded debt obligations. This sum has already been expended in accordance with the provisions of the indenture and record filed with the Trustee under the mortgage.

The twenty years preceding the last five were perhaps the most difficult in many ways for railroads since their beginning. During that period there had been much ill advised legislation as well as many restrictions imposed by State Railroad Commissions as well as a general lack of sympathy and understanding of the railroad problem on the part of the public. Despite these adverse influences the Baltimore & Ohio during this period earned its interest charges on a yearly average of about 1.70 times, with 40% of its gross income carried through to net income and after dividend distributions there was approximately $80,000,000 appropriated to surplus, equivalent to an average yearly of $4,000,000.

However, since the passage of the Transportation Act, the Baltimore & Ohio appears to be in the fortunate position of having its troubles behind it. It has recovered the traffic lost during Federal control and it has reached a satisfactory working agreement with its employees, which should preclude the possibility of any serious labor disturbances for many years and with the continuation of a satisfactory rate structure the Company should have no difficulty in earning its fixed charges and its dividend requirements with a substantial balance remaining for improvements, additions and betterments.

Harper's Ferry—Mile upon mile of beautiful mountain and river scenery delight the traveler along the Baltimore & Ohio

ROAD AND EQUIPMENT

As a result of the large expenditures made on Road and Equipment since 1900, the Baltimore & Ohio is today one of the best equipped and maintained railroads in the United States, its main line from Philadelphia to Chicago being double track throughout and laid with 100-lb. steel rails. Its locomotives and cars compare favorably with any of the trunk line railroads in the United States. The details of the Company's mileage and equipment are given in the following tables:

Total Mileage Operated as of December 31, 1923

Miles of road	5,303.58
Miles of second main track	1,541.78
Miles of third main track	156.58
Miles of fourth main track	42.03
Miles of industrial tracks	784.92
Miles of yard track and sidings, etc	2,675.55
Total	10,504.44

As of the same date the equipment in service was as follows:

Equipment	Number
Steam locomotives	2,546
Electric locomotives	11
Freight train cars	100,036
Passenger train cars	1,333
Service cars	3,697
Floating equipment—Units	172

The average tractive power of the locomotives operated by the Baltimore & Ohio and its separately operated subsidiaries, as of the above date, was 45,593 lbs.; the average carrying capacity of freight train cars, 48 tons, and the average seating capacity of passenger cars, 62 persons. During the period July 1, 1900, to December 31, 1923, the value of the equipment owned by the Company has risen from $33,879,564 in 1900 to $198,667,959 in 1923, an increase of nearly $165,000,000. From 1900 to 1923 the average train load more than doubled, it having been 366 tons in 1900 as compared with 793 tons in 1923, an increase of about 427 tons or 117%. The increase in traffic density as shown by the increase in tons carried one mile per mile of road, rose from 2,123,000 in 1900 to 3,959,000 in 1923, an increase of approximately 1,836,000 tons or over 86%.

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This waterfront view shows the Locust Point Marine Terminals at Baltimore, Md., with their big ship piers and, in the background, the new grain elevator which is as high as a 17-story office building

TERMINAL FACILITIES AND IMPROVEMENTS

THE management of the Baltimore & Ohio has not only kept up with the requirements of the shippers along the line of its road, but it has taken into account producers of grain and other products of agriculture located in the West and Northwest, as well as the ore produced in the mines and lumber produced in the forests of the entire West and Northwestern territory. In order that this business might be properly taken care of at its western terminal point—Chicago—the Baltimore & Ohio in 1910 purchased at foreclosure sale all of the property and franchises formerly owned by the Chicago Terminal Transfer Railway, which consisted of large mileage in and about the City of Chicago, together with passenger and freight terminal facilities, docks, and other property. The Chicago Terminal property alone may be considered as being actually worth today more than $75,000,000.

In order that the grain which the Company receives from its western connections at Chicago destined for export might be quickly transferred and efficiently loaded on board ships, the Company developed, and is just completing, a huge grain elevator, insuring storing facilities of 9,000,000 bushels. In addition to the grain elevator, there is a workhouse providing equipment for the treatment and handling of grain in transit from the farm to the world's markets. This structure is the height of a 17-story office building, 61 feet wide and 240 feet long; the separators and cleaning machines in this workhouse are capable of cleaning 40,000 bushels of grain an hour. Adjoining the workhouse is the track shed for the receipt of grain cars, which, after having been placed by switching engine, are moved by cables to the place of discharge and the empties are sent by gravity to the yard beyond. Four car-unloading tracks provide capacity for 80 cars in the continuous discharge of grain. Special car dumpers tilt these cars bodily and cause the contents to flow into the receiving channels. Each dumper handles 8 cars an hour, giving a capacity of 256 cars in an 8-hour day. After the grain is cleaned and dried it is stored in grain elevator tanks, ready for withdrawal for shipping, connections being made with the piers, so that 8 vessels can be loaded at one time, having a total loading capacity of 150,000 bushels an hour.

The farmers of the United States should appreciate the fact that it is the efficient terminal facilities of the railroads reaching the eastern seaboard that permit their products to be sold in the competitive grain markets of Europe, South America, and elsewhere.

The Company has also just completed one large double deck pier and with the extension of two others has an excellent series of piers at the port of Baltimore for the handling of export and coastwise traffic.

An airplane view of the Locust Point Terminals

This waterfront view shows the Locust Point Marine Terminals at Baltimore, Md., with their big ship piers and, in the background, the new grain elevator which is as high as a 17-story office building

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FROM COAL MINE TO THE SHIP'S HOLD

In the moving coal chutes in the foreground of the upper view, you see fuel for export being transferred from coal cars to the holds of vessels, entirely by mechanical apparatus, at the Curtis Bay coal terminal, port of Baltimore. This coal pier has the largest capacity of any in the world—about 12,000,000 tons per annum. It can load six ships at one time at the rate of 7,000 tons per hour. The lower picture shows a side view of the pier

SERVING THE COAL AND INDUSTRIAL CENTERS

IT HAS been pointed out that the Baltimore & Ohio serves the richest bituminous coal fields in the United States, and in order that this business might be more fully developed, it undertook to build a coal terminal at Curtis Bay, port of Baltimore, for the purpose of efficiently handling this product for export.

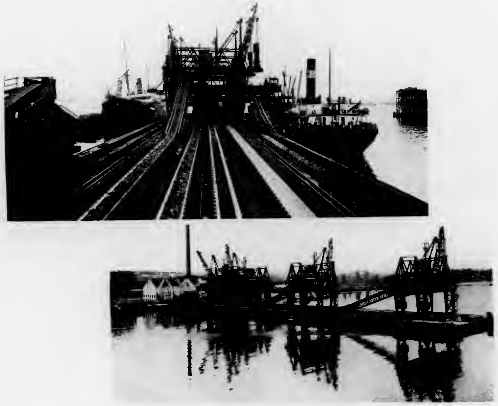
This improvement took the form of a coal pier which has the largest capacity of any in the world and includes every mechanical appliance for efficient and economical handling of coal from open top cars to the holds of the vessels. This pier has a capacity of about 12,000,000 tons per annum and a transfer capacity from cars to vessels at a maximum rate of 7,000 tons per hour. These loading devices not only place the coal in the ships' holds without breaking the large lumps but trim the load, which eliminates manual labor and facilitates the loading. One of the record loadings of a vessel shows that 7,222 tons of bituminous coal, previously contained in 151 cars, were loaded aboard ship, trimmed, and the hatches closed in 1 hour and 58 minutes. This economical arrangement for the loading of coal aboard ship has made it possible for bituminous coal mined in the United States to be sold in competitive markets of other countries.

LOCATION OF LINE WITH REFERENCE TO INDUSTRIES

A study of the map of the Baltimore & Ohio, which is appended, shows that in addition to serving the important ports of New York, Philadelphia, and Baltimore, it also serves the industrial centers lying between those cities and Chicago and St. Louis, including the iron and steel regions of Pittsburgh and vicinity, Youngstown, Cleveland, Toledo, Columbus, Dayton, and Cincinnati, Ohio.

The Baltimore & Ohio's lines reach a territory where over 50% of the bituminous coal moved in the United States is produced and it has been variously estimated, based on the output for the past five years, that these fields have a 400-year supply below surface. It is worthy of note also that the Baltimore & Ohio reaches the iron and steel centers that produce over 80% of the manufactured products. These two basic commodities practically insure a back log of traffic for the Baltimore & Ohio through lean as well as prosperous years.

A study of the traffic density map appended hereto shows that the road has a two-way traffic, the flow of cars in both directions having a decided minimum in the number of empties in proportion to number of loads, the same equipment being used for the bulk of this traffic movement. For example, the flow of traffic from the Pennsylvania and West Virginia coal regions to the Lake ports is largely made up



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B. & O. Engine 6123 hauling 93 steel cars filled with coal—an actual load of 6,612 tons from engine to caboose

of bituminous coal. The cars are returned loaded with iron, bridge materials, and other heavy iron and steel manufactured products from Pittsburgh to eastern ports. Likewise, the box cars moving westward loaded with miscellaneous merchandise and factory products are returned east loaded with grain and other products of agriculture, dressed lumber, shingles, furniture, and other staples manufactured in the Northwest.

Industrial traffic along the line of the Baltimore & Ohio has grown to such magnitude that the Company now has 785 miles of industrial tracks alone. These tracks consist of sidings or spurs which give the factories, storage warehouses, elevators, mines, etc., a direct rail service, thus insuring a preference in shipments to competitive points.

This is a B. & O. freight car of 1832—the first operated by the road

PROPERTY INVESTMENT AND CAPITALIZATION

THE Company's total property investment is well in excess of its capitalization outstanding in the hands of the public. As of December 31, 1923, total property investment was $828,381,825, while the capitalization outstanding was $748,314,782.

INCOME ACCOUNT

One of the standard yard-sticks for measuring a railroad's credit is its earning power over a period of years. For the purpose of illustration, a condensed income account is given for the 10½-year period, beginning with the fiscal year ended June 30, 1914, to December 31, 1923:

	Tot. Oper. Revenues	Gross Income	Fixed Charges	Net Income
*1914	$99,164,010	$25,325,360	$16,075,336	$9,250,024
*1915	91,815,797	27,371,302	16,590,421	10,780,881
*1916	111,668,680	31,910,894	18,218,447	13,692,447
**1916	61,340,505	17,373,877	9,105,483	8,268,394
1917	139,851,910	27,869,280	19,774,049	8,095,231
1918	175,259,575	32,850,512	27,808,406	5,042,106
1919	182,620,016	32,266,717	23,686,695	8,580,022
1920	231,944,443	31,834,154	24,588,673	7,245,481
1921	199,077,853	32,066,784	25,677,893	6,388,891
1922	200,843,170	29,922,137	25,546,764	4,375,373
1923	255,594,435	48,165,650	25,743,614	22,422,036
10½ Yrs. 1914-23	1,749,180,394	336,956,667	232,815,781	104,140,886
Average	166,588,609	32,091,111	22,172,931	9,918,180

*Years ended June 30.
**Six months ended December 31.

It will be noted from the above table that for the 10½-year period net income after charges was $104,140,886, or a yearly average of approximately $10,000,000. It should be remembered that this period covers what has probably been the largest increase in operating costs of any like period in railroad history.

Mr. Daniel Willard, President of the Baltimore and Ohio, testifying before the Senate Committee on Interstate Commerce in April of this year, made the following statement:

> "The latest official reports show that the average rate per ton-mile on the American railroads today is 54.63 per cent higher than it was in 1914, as compared with an increase of about 100 per cent in basis of costs. The most reliable reports obtainable also show that the average annual wages of the railroad employees today is approximately 98 per cent higher than they were in 1914, or before the war, and that the rate paid per hour has increased 126.81 per cent as compared with the year 1916. * * * * * *

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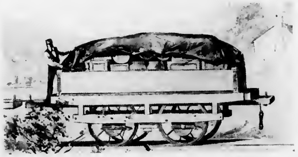

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The price which the railroads, or at least some of them, were obliged to pay for their fuel coal in 1923 was 116 per cent higher than in 1916. The prices paid for lumber, ties, steel, including rails and other representative material, were about 57 per cent higher in 1923 than the average prices during the three years, July 1, 1914, to June 30, 1917, known as the test period. Taxes paid by the railroads in 1923 were 145 per cent higher than in 1914, equal to an increase of $196,485,000. The official figures of the United States Department of Labor show that the total cost of living in 1923 was 68 per cent higher than in 1914. * * * * * * * These figures, which have been carefully obtained from the most reliable sources, fully support the statement that railroad rates today are comparatively lower than in 1914, because the per cent of increase in railroad charges over 1914 is substantially less than the average aggregate per cent of increase in connection with the other items above mentioned."

A LEADER IN FREIGHT TRAFFIC

THAT the Baltimore & Ohio compares favorably in every sense of the word with its three principal competitors between New York and Chicago is evidenced by certain freight traffic statistics which are given in the following table for the year ended December 31, 1923, compared with 1922, the roads under comparison being the Pennsylvania, New York Central, and Erie Railroads:

	Balt. & Ohio		Pennsylvania		New York Cen.		Erie (inc. C & E)	
	1923	1922	1923	1922	1923	1922	1923	1922
Rev. tons per train.......	793	762	811	774	862	802	876	774
Rev. ton miles per mile of road per day.........	10,848	7,913	12,214	10,181	10,943	8,468	13,392	9,820
Oper. Ratio	78.0%	82.2%	81.9%	82.6%	76.3%	79.1%	81.3%	93.7%
Tot. Op. Rev. per mi. of road.	$49,088	$38,534	$68,205	$60,971	$64,068	$55.449	$57,200	$46.277
Net Op. In. per mi. of road.	8,092	4,554	7,899	6,924	11,547	8,857	7,880	279
Ratio of Net Op. Inc. to tot. Op. Rev..........	16.5%	11.8%	11.6%	11.4%	18.0%	16.0%	13.8%	0.6%

It will be seen from the above figures that the Baltimore & Ohio is not far behind its competitors in revenue tons per train or revenue ton miles per mile of road per day. The fact that it ranks fourth in these two items is due to the more favorable topography of the routes of the other lines. This, however, is more than offset by operating efficiency. The Baltimore & Ohio's operating ratio is lower than that of any other line, except the New York Central, which is 1.7% lower than that of the Baltimore & Ohio. By reason of this operating efficiency, the Baltimore & Ohio's total operating revenue per mile of road, while less than that of the other lines under consideration, shows a larger net for 1923 than any except the New York Central, both in actual dollars and percentage of net to gross. In percentage of net to gross the New York Central exceeds the Baltimore & Ohio by 1.5%.

While the operating ratio may be taken as an evidence of the efficiency with which the Baltimore & Ohio is operated, it is highly probable this ratio may be materially lowered in the next few years in proportion to the extent to which the Company carries out its program of reducing grades, eliminating curves, shortening main line and other improvements which will further reduce operating costs. While, as previously stated, the Company has built beyond its current requirements in the matter of additional main line tracks, passing tracks, yards, sidings, terminal facilities, shops, etc., the problem of appropriations for grade reductions and other improvements is ever present and suitable expenditures for work of this character has for many years been a fixed policy of the Baltimore & Ohio Railroad.

The Baltimore & Ohio Railroad by reason of its conservative management, its strong strategical location, record for high operating efficiency and the support which it has received from its patrons, has, since its beginning, shown a remarkable earning power. Since 1900 it has distributed $58,290,613 in dividends on its Preferred Stock and $139,229,119 on its Common Stock—a total dividend distribution in that period of $197,519,732.

While there are no figures at hand to show the annual dividend distributions by years since the Company began operations, it is safe to say that there have been very few years in its nearly a century of activities in which dividends have not been declared on its outstanding stock. Notwithstanding this fact, there has never been any hesitation on the part of the Directors to defer dividends when it was deemed expedient to do so for the purpose of protecting the Company's credit and strengthening its cash position. As a result of this practice, the funded debt issues of the Baltimore & Ohio have always found a ready market with conservative investors.

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INCREASE IN FREIGHT AND PASSENGER REVENUE 1923 OVER 1904

There are very few large railroad systems in the United States that can show a greater percentage of increase in revenues than the Baltimore & Ohio has shown in the past twenty years. Just what this increase amounted to, in the form of dollars and percentages, is set forth in the following table:

Revenues and Expenses	1904	1923	Increase	Per Cent.
Freight revenue	$48,617,103.28	$208,587,996.20	$159,970,892.92	329.0
Passenger revenue	13,146,448.70	30,752,790.80	17,606,342.10	133.9
Passenger service train revenue	16,195,505.67	39,365,299.31	23,169,793.64	143.1
Operating revenue	$65,071,080.80	$255,594,435.26	$190,523,354.46	292.8
Operating expenses	43,628,863.70	199,323,961.43	155,695,097.73	356.9
Net Oper. revenue	$21,442,217.10	$56,270,473.83	$34,828,256.73	162.4

It will be noted from the figures given above that total operating revenues in the 20-year period increased 292.8%. The cost of materials, fuel, supplies and labor, as previously pointed out, advanced in greater proportion to freight rates and, as a result, total operating expenses increased 356.9% in that period. Notwithstanding the constantly increasing expense during the period under consideration, net operating revenues increased 162.4%.

The next table presents some unit figures showing the growth, with their increases in dollars and percentages, which took place during the twenty-year period:

Freight	1904	1923	Increase	Per Cent.
Av. miles oper.	3,986.61	5,206.87	1,220.26	30.6
Frt. train rev.	$48,617,103.28	$208,587,996.20	$159,970,892.92	329.0
Frt. tr. rev. per mile of road	12,195.10	40,060.15	27,865.05	228.5
Frt. tr. rev. per train mile	2.33	8.03	5.70	244.6
Frt. tr. rev. per rev. car mile (cents)	12.12	29.88	17.76	146.5
Frt. tr. revenue per ton (cents)	112.16	194.48	82.32	73.4
Frt. tr. rev. per ton per mile (cents)	0.58	1.01	.43	74.1
Passenger				
Revenue from pass.	$13,146,448.70	$30,752,790.80	$17,606,342.10	133.9
Pass. service train revenue	16,195,505.67	39,365,299.31	23,169,793.64	143.1
Pass. rev. per mile of road	3,297.65	5,798.50	2,500.85	75.8
Pass. rev. per train mile	1.03	1.84	.81	78.6
Pass. tr. rev. per mile of road	4,062.48	7,422.40	3,359.92	82.7
Pass. ser. tr. rev. per tr. mile	1.27	2.20	.93	73.2
Av. rev. from each passenger (cents)	85.35	168.98	83.63	98.1
Av. rev. per pass. per mi. (cents)	2.00	3.26	1.26	63.0

It will be noted from a study of the above tables that the Baltimore & Ohio increased its freight train revenue in the 20-year period 329%; its freight train revenue per mile of road, 228.5%; its freight train revenue per train mile, 244.6%, and freight train revenue per revenue car mile, 146.5%. Revenue from passengers and passenger train revenue increased 133.9% and 143.1%, respectively.

The Baltimore & Ohio Southwestern bridge at Lawrenceburg, Ind., over the Miami River on the St. Louis Division, was recently completed at a cost of $2,250,000. It is a modern double-track structure, 1,400 feet long and was constructed ten feet higher than the old single-track bridge to avoid damage by high waters

One of the measurements of a railroad as a revenue producer is found by reducing its income account to a per mile of road and per mile of track basis, compared with other lines operating in the same general territory. Obviously, a railroad with four main tracks on its principal arteries of traffic should have a greater traffic density than one having two tracks. While a comparison of such lines per mile of road may be an index, a much fairer comparison is on the basis of per mile of track used by each railroad, which includes all passing tracks, spurs, yard and terminal tracks, etc. For the purpose of illustration, the Baltimore & Ohio is compared on a per mile of road and per mile of track basis with the Chesapeake & Ohio, Pennsylvania, Erie, and the New York Central. This data was prepared from the income accounts of those companies for the year ended December 31, 1923:

As of Dec. 31, 1923:	Balt. & Ohio	Ches. & Ohio	Pennsylvania	Erie	New York Central
Av. miles of road oper.	5,206.87	2,552.7	10,576.92	2,324.79	5,699.73
Miles of track oper.	10,306.84	4,502.3	25,500.52	5,829.05	14,713.56
Tot. Op. Rev. per mi. of rd.	$49,088	$39,948	$68,205	$57,200	$64,069
Tot. Op. Rev. per mi. of track	24,799	22,650	28,289	22,813	24,819
Mt. of W. & S. per mi. of rd.	5.631	5,033	8,073	6,154	7,379
Mt. of W. & S. per mi. of track	2,844	2,854	3,348	2,455	2,858
Mt. of Eq. per mi. of road	12,269	11,240	17,829	15,509	16,233
Mt. of Eq. per mi. of track	6,198	6,373	7,395	6,185	6,288
Tot. Maint. per mi. of rd.	17,899	16,273	25,902	21,663	23,612
Tot. Maint. per mi. of track	9,043	9,227	10,743	8,640	9,146
Trans. Exp. per mi. of rd.	18,183	13,211	26,647	22,075	22,379
Trans. Exp. per mi. of track	9,186	7,491	11,053	8,804	8,669
Gr. Income per mi. of rd.	9,250	8,364	11,044	9,941	16,026
Gr. Income per mi. of track	4,673	4,742	4,581	3,965	6,208
Fix. Chgs. per mile of rd.	4,944	4,847	6,171	6,313	8,071
Fix. Chgs. per mile of track	2,498	2,748	2,560	2,518	3,127
Net Income per mi. of rd.	4,306	3,517	4,873	3,628	7,955
Net Income per mi. of track	2,175	1,994	2,021	1,447	3,081

INCREASE IN FREIGHT AND PASSENGER REVENUE 1923 OVER 1904

There are very few large railroad systems in the United States that can show a greater percentage of increase in revenues than the Baltimore & Ohio has shown in the past twenty years. Just what this increase amounted to, in the form of dollars and percentages, is set forth in the following table:

Revenues and Expenses	1904	1923	Increase	Per Cent.
Freight revenue	$48,617,103.28	$208,587,996.20	$159,970,892.92	329.0
Passenger revenue	13,146,448.70	30,752,790.80	17,606,342.10	133.9
Passenger service train revenue	16,195,505.67	39,365,299.31	23,169,793.64	143.1
Operating revenue	$65,071,080.80	$255,594,435.26	$190,523,354.46	292.8
Operating expenses	43,628,863.70	199,323,961.43	155,695,097.73	356.9
Net Oper. revenue	$21,442,217.10	$56,270,473.83	$34,828,256.73	162.4

It will be noted from the figures given above that total operating revenues in the 20-year period increased 292.8%. The cost of materials, fuel, supplies and labor, as previously pointed out, advanced in greater proportion to freight rates and, as a result, total operating expenses increased 356.9% in that period. Notwithstanding the constantly increasing expense during the period under consideration, net operating revenues increased 162.4%.

The next table presents some unit figures showing the growth, with their increases in dollars and percentages, which took place during the twenty-year period:

Freight	1904	1923	Increase	Per Cent.
Av. miles oper.	3,986.61	5,206.87	1,220.26	30.6
Frt. train rev.	$48,617,103.28	$208,587,996.20	$159,970,892.92	329.0
Frt. tr. rev. per mile of road	12,195.10	40,060.15	27,865.05	228.5
Frt. tr. rev. per train mile	2.33	8.03	5.70	244.6
Frt. tr. rev. per rev. car mile (cents)	12.12	29.88	17.76	146.5
Frt. tr. revenue per ton (cents)	112.16	194.48	82.32	73.4
Frt. tr. rev. per ton per mile (cents)	0.58	1.01	.43	74.1
Passenger				
Revenue from pass.	$13,146,448.70	$30,752,790.80	$17,606,342.10	133.9
Pass. service train revenue	16,195,505.67	39,365,299.31	23,169,793.64	143.1
Pass. rev. per mile of road	3,297.65	5,798.50	2,500.85	75.8
Pass. rev. per train mile	1.03	1.84	.81	78.6
Pass. tr. rev. per mile of road	4,062.48	7,422.40	3,359.92	82.7
Pass. ser. tr. rev. per tr. mile	1.27	2.20	.93	73.2
Av. rev. from each passenger (cents)	85.35	168.98	83.63	98.1
Av. rev. per pass. per mi. (cents)	2.00	3.26	1.26	63.0

It will be noted from a study of the above tables that the Baltimore & Ohio increased its freight train revenue in the 20-year period 329%; its freight train revenue per mile of road, 228.5%; its freight train revenue per train mile, 244.6%, and freight train revenue per revenue car mile, 146.5%. Revenue from passengers and passenger train revenue increased 133.9% and 143.1%, respectively.

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Operating Efficiency

While the growth in revenues and traffic during the twenty-year period has been previously referred to, it is highly important that due consideration be given to the progress that has been made by the management in operating efficiency. In order that a clear picture of this may be had, certain freight and passenger statistics are set forth in the table given below:

	1904	1923	Increase	Per Cent.
Average miles operated	3,986.61	5,206.87	1,220.26	30.6
Freight revenue	$48,617,103	$208,587,996	$159,970,893	329.0
Tons carried rev. frt.	43,347,193	107,254,773	63,907,580	147.4
Tons carried 1 mile revenue freight	8,358,881,237	20,616,284,974	12,257,403,737	146.6
Tons carried 1 mile per mile of road—rev. frt.	2,096,739	3,959,439	1,862,700	88.8
Tons per train—rev. frt.	401.25	793.45	392.20	97.7
Miles run by frt. trains	20,832,146	25,982,947	5,150,801	24.7
Freight locomotive miles	26,655,615	32,073,756	5,418,141	20.3
Passenger train revenue	$16,195,506	$39,365,299	$23,169,793	143.1
Passengers car. 1 mile	657,869,285	942,329,707	284,460,422	43.2
Passenger train miles	12,711,895	17,917,104	5,205,209	40.9
Passenger loco. miles	15,402,934	19,196,203	3,793,269	24.6

It will be noted from the above table that the freight revenue increased 329%, tons of freight increased 147.4%, and tons carried one mile increased 146.6%; traffic density increased 88.8% and train loads increased 97.7%. During the 20-year period the miles of road operated increased 30.6%. In the face of these increases in traffic movement, freight train miles increased only 24.7%, and freight locomotive miles only 20.3%. The slight increase in freight locomotive miles was due to greater operating efficiency in the matter of number of loaded cars per train and the eliminating to a large extent of the double heading of locomotives, the modern freight locomotives of today having a tractive effort of from 60,000 to 80,000 pounds. This has been an important factor in keeping the locomotive miles to a comparatively low level while the tons per train mile have nearly doubled.

Another B. & O. travel picture—Indian Creek, in the scenic mountainous section of Pennsylvania

Passenger train revenue during the twenty-year period increased 143.1%. This increase was accomplished with only a 24.6% increase in passenger locomotive miles. The reduction in train locomotive miles, therefore, represents an improvement in operating efficiency and a substantial reduction in man power as well as a lowering in cost per unit of traffic.

Results for the Year Ended December 31, 1923

The annual report of the Company for the year ended December 31, 1923, discloses some remarkable results for the year, as will be seen by the following data:

> "The year 1923 was notable for the general revival in business and industrial activity in which your Company shared to a gratifying extent. In gross and net revenues and in the tons of revenue freight carried the year was the largest in the history of the Company, and clearly demonstrated the high physical standard of the property, as this traffic was handled not only in an efficient and expeditious manner but with an ease that indicated a capacity and ability to perform a much greater service with substantially the same facilities. At the same time the Company carried on an extensive program of improvements to the line and in the upbuilding of its equipment. Altogether there were added

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during the year 11,659 freight train cars, 91 passenger train cars, and 115 locomotives. There was some congestion at times in the marine terminals at Baltimore caused by insufficient facilities, which situation will have been overcome upon completion of the large new grain elevator and new pier now in process of construction and in the readjustment of yard tracks incident thereto, all of which will be completed during 1924."

After the payment of fixed charges and full 4% dividends on the company's outstanding Preferred Stock there remained a balance of $20,067,508, showing an earning of 13.21% upon the outstanding common stock of the Company.

"Revenue from freight traffic amounted to $208,587,996.20, an increase over the year 1922 of $49,081,371.51 or 30.77%, and constituted 81.61% of all revenues. This increase was due to the additional volume of business handled, there having been carried 107,254,773 tons of revenue freight, an increase of 36.52%. Tons carried one mile at 20,616,284,974 reflects an increase of 5,562,486,006 or 36.95%. All classes of commodities contributed to the total increase in tonnage, the increase in animal products being 22.73%, mine products 43.46%, forest products 40.97%, and manufactures and miscellaneous products 30.85%. It is worthy of note that 63.94% of the total tons carried originated on the lines of the Baltimore & Ohio. Notwithstanding the increase of 36.52% in tons of revenue freight, there was an increase of but 31.55% in freight train miles, resulting from an increase in average train load of 31.29 tons.

"The Net Railway Operating Income for 1923 of The Baltimore & Ohio Railroad Company * * * * was $42,133,129.30, an increase over 1922 of $18,398,124.09, or 77.51%. For the purpose of the 'Recapture' provisions of the Transportation Act of 1920, Net Railway Operating Income of the Company and its separately operated subsidiaries is combined and the rate of return computed on the investment in property used in transportation of the system as a whole. The combined Net Railway Operating Income of the Baltimore & Ohio System of 1923, including its separately operated subsidiaries, was $43,026,130.70, equal to a rate of return of 5.37% on the recorded 'Property Investment' aggregating $800,648,023."

The oldest stone arch railroad bridge in the world, built at Relay, Md., in 1835, still bearing heavy B. & O. traffic after 89 years of continuous service

In order to show the comparative earning power of the Baltimore & Ohio with the class 1 roads in the United States and in the eastern territory, a table is given herewith showing the return on property investment for the year ended December 31, 1923, of the class 1 roads located in these groups, compared with the Baltimore & Ohio:

	Return on Property Investment
Railroads of the United States	4.47%
Railroads of the eastern territory	4.85%
Baltimore & Ohio Railroad	5.37%

It will be noted that the return upon property held and used for carrier purposes by the Baltimore & Ohio is well in excess of the class 1 railroads in the United States, as well as those located in the eastern territory.

PHYSICAL CONDITION OF PROPERTY

The physical condition of the Baltimore & Ohio roadway and equipment is better today than at any time in its history, notwithstanding the set-back it had in additions and betterments during the period of Government control and the deferred maintenance of equipment which ensued on account of the strike of the shop crafts in 1922. The main line tracks are ballasted throughout with crushed stone and nothing but the best quality of treated ties are used, it being the fixed policy of the Company to keep its property in first class physical condition.

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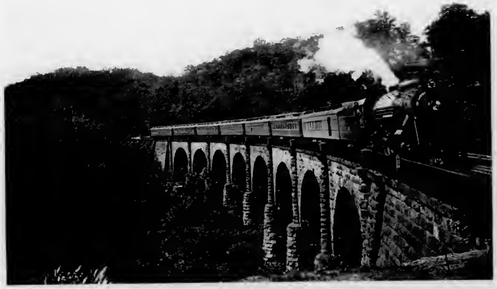

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BALANCE SHEET POSITION

FOR the past twenty years the Baltimore & Ohio has maintained a strong balance sheet position with a substantial amount of ready cash or quick assets, and with current assets well in excess of current liabilities. The balance sheet as of December 31, 1923, shows that the Company had on hand nearly $14,000,000 in cash and over $5,000,000 special deposits, the excess of current assets over current liabilities being $33,496,215. In other words, current assets were approximately twice the amount of current liabilities.

Since the very beginning it has been the policy of the Company to keep its property well maintained and its cash position sufficiently strong to maintain a high credit standing.

TENTATIVE CONSOLIDATION

In the tentative plan of the Interstate Commerce Commission for the consolidation of railroads in the United States into a limited number of systems, the Baltimore & Ohio appears in System No. 3, which includes the following roads:

- Baltimore & Ohio
  - Sandy Valley & Elkhorn
  - Staten Island Rapid Transit
- Reading System, comprising the Philadelphia & Reading, Central Railroad of New Jersey, and various others.
- Cincinnati, Indianapolis & Western
- Chicago, Indianapolis & Louisville
- New York, New Haven & Hartford
  - Central New England
- Lehigh & New England
- Lehigh & Hudson River.

It will be noted that in this group is included the New York, New Haven & Hartford, Central New England, Lehigh & New England, and Lehigh & Hudson River, but it is noted in the report of the Commission, after the group, that the New York, New Haven & Hartford, Central New England, Lehigh & New England, and Lehigh & Hudson River may be included in System No. 7, New England, or System No. 7a, New England-Great Lakes.

In the light of developments which have taken place since the tentative plan of the Commission was brought out, it is highly improbable that the Baltimore & Ohio will be expected to take over the

last four lines included in the group. The Interstate Commerce Commission, in preparing its tentative plan for the consolidation of railway properties, procured the co-operation of Mr. William Z. Ripley, Professor of Economics, Harvard University, who is a recognized authority on transportation matters, especially with regard to interchange of traffic. In his report to the Commission on the matter of consolidations, Mr. Ripley seemed inclined towards the Reading System and the Central Railroad of New Jersey, leaving the New Haven to be included in the New England System. Among other things, Mr. Ripley pointed out that the interchange between the Baltimore & Ohio and the Reading System was greater than that of either the New York Central or the Pennsylvania Railroad, and also bore strongly on the point of the terminal situation at New York, stating that it (Baltimore & Ohio) ought not to depend upon mere running rights north of Philadelphia but should be in position to operate its own trains, its own crews, and engines, clear into the terminal, and directed attention to the fact that the advantages of this combination were so manifest that during Federal control the Director General placed the Reading, the Jersey Central, the Baltimore & Ohio, and the Western Maryland under one regional director.

It would appear that the combination of the Baltimore & Ohio with the Reading-Central of New Jersey lines has already received consideration of the Baltimore & Ohio's management. This is evidenced by the fact that during the consolidation hearings before the Commission in Washington in 1923, President Willard, of the Baltimore & Ohio, referred to a plan his Company had in mind for a new trunk line between New York and the West. Not only would this new through route indicated by Mr. Willard, if carried through to a conclusion, be the shortest line between New York and Chicago, but it would have exceptionally favorable grades and a lower summit than any of the other crossings of the Alleghanies; further, the Baltimore & Ohio short line is double track to the extent of 80% of its mileage.

MANAGEMENT

THE last measurement of a railroad's worth as a going concern is the character of its management. In this respect the Baltimore & Ohio in the past decade has been singularly fortunate. Its President, Mr. Daniel Willard, grew up in railroad service and had actual experience in practically every branch of the operating department. Mr. Willard went to the Baltimore & Ohio in 1899 as Assistant General Manager. From 1901 to 1904 he was Assistant to the President, General Manager, and First Vice President of the Erie. From January, 1904, to January, 1910, he was Vice President in charge of operation of the Chicago, Burlington & Quincy. In January, 1910, Mr. Willard accepted the presidency of the Baltimore & Ohio and has held that position ever since. In addition to Mr. Willard's duties as a railroad executive, he has by reason of his background of experience been chosen President of the American Railway Association, Chairman of the Advisory Committee of the Association of Railway Executives, and later Chairman of the Board of Directors of the American Railway Association.

Mr. Willard's record as a railway executive has been an exceptional one. Probably his greatest achievement has been since the property was released from Federal control. During the war period the Baltimore & Ohio's traffic, which had been built up over a period of 90 years, was diverted to other lines in order to leave the road free for the transportation of war supplies, munitions, and troops. After the property had been restored, one of the Company's principal problems was to obtain the return of the flow of high grade traffic which had been diverted to other lines. This has not only been accomplished, but other sources of traffic have been opened up, resulting in the greatest traffic density in the history of the Company, and the earning power of the property is now sufficient not only to provide for dividend distributions on both classes of stock but leave a substantial surplus for additions and betterments.

The other executive officers of the Company have all come up through the ranks and have spent practically their entire business life with the Company and are recognized as capable executives trained in the various branches of service coming under their respective administrations.

Maps

In the back of this booklet are attached two maps, the first one showing the geographical position of the Baltimore & Ohio System and the second a traffic density map which shows the average net tons of freight per day moved on the system during the year 1923.

CONCLUSION

From the facts which have been set forth in this booklet, the following conclusions seem justified:

The Baltimore & Ohio Railroad did more than grow with its territory—it developed it. Its traffic is the result of 97 years of faithful service to shippers and the traveling public. Its total operating revenue represents more than dollars—it represents the good-will and confidence of its patrons.

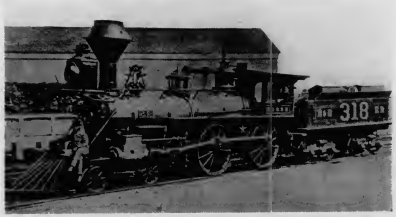
It will be seen also that the Company has not only concerned itself with the movement of traffic originating or terminating on its lines, but it has by large expenditures provided ample terminal facilities suitable for caring for this traffic at deep water ports, thus putting the commodities produced along or shipped over its system in direct communication with the markets of the world.

The policy of the Company from its beginning has been to make appropriations from income for improvements, additions, and betterments. The result of this policy is being reflected in the traffic increases and operating efficiency shown during the past twenty years.

On a per mile of track basis the operating results both as to gross and net compare favorably with those of the Chesapeake & Ohio, Pennsylvania Railroad, New York Central Railroad, and Erie Railroad. In the matter of management, the Baltimore & Ohio has been especially fortunate. Its President, Mr. Daniel Willard, served apprenticeships in nearly every branch of railroad service and for the past 14 years has been President of the Company. Mr. Willard, by reason of his background of experience, is a recognized authority on railroad matters, especially efficient management. His ability in this line was put to the test in the rehabilitation of the Baltimore & Ohio System after it was returned from Federal control.

The Baltimore & Ohio Railroad ended the year 1923 in the best physical condition in its history and established a new record for earnings and traffic density. The balance sheet position of the Company as of December 31, 1923, was exceptionally good. The Company had on hand nearly $14,000,000 in cash and over $5,000,000 in special deposits, the excess of current assets over current liabilities being $33,496,215.

In fine, the Baltimore & Ohio has justly earned its place as one of the leading trunk lines of the United States, a position which it should have no difficulty in maintaining by reason of its strategical, geographical and industrial location, its policy of securing both the business and good-will of its patrons, and the loyal co-operation of its officials and employees in the rendering of a great public service.



This locomotive was typical of the type of power used in passenger service in 1870. Seated in the cab is William Galloway, Sr., grandfather of C. W. Galloway, the present Vice-President in Charge of Operation, of the Baltimore & Ohio

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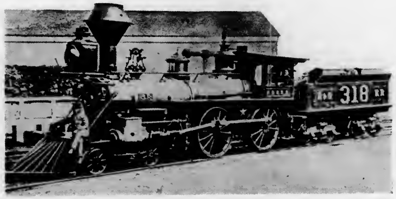

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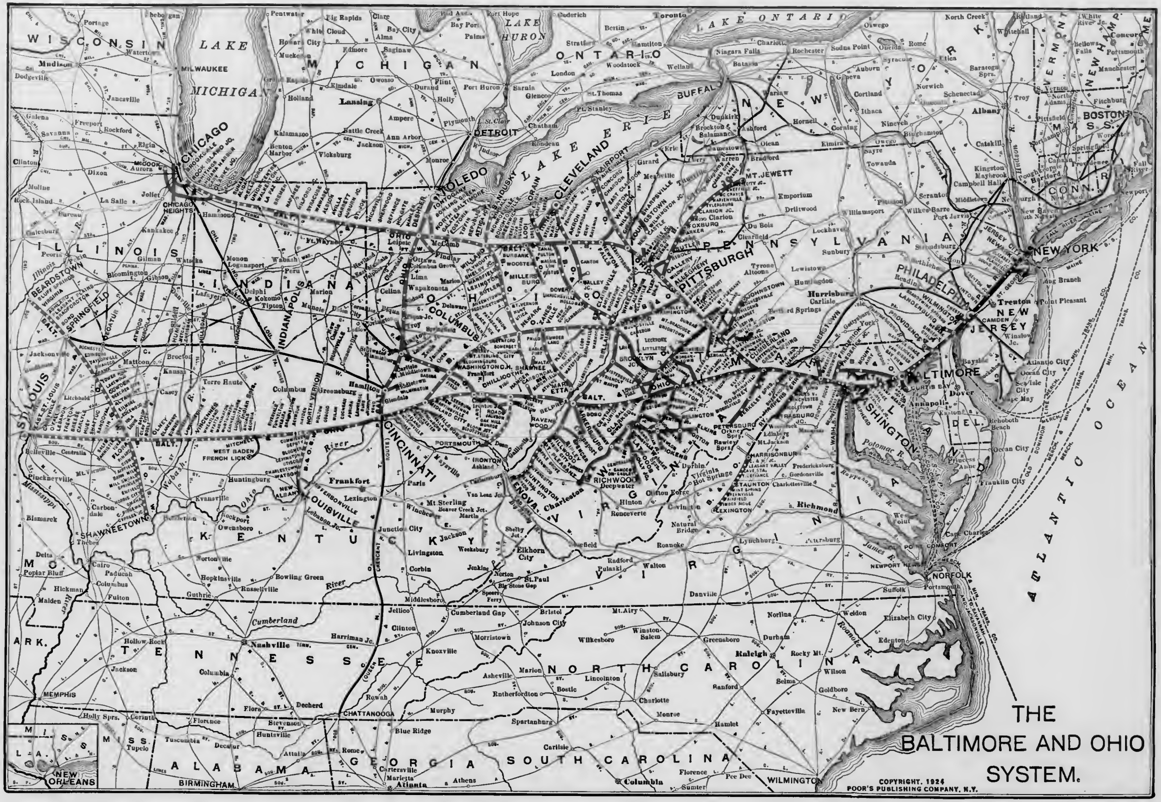

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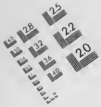

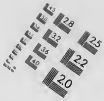

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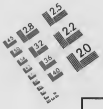

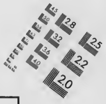

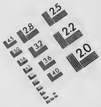

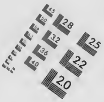

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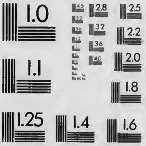

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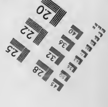

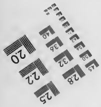

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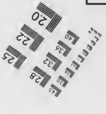

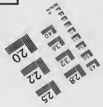

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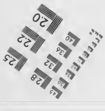

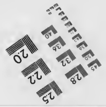

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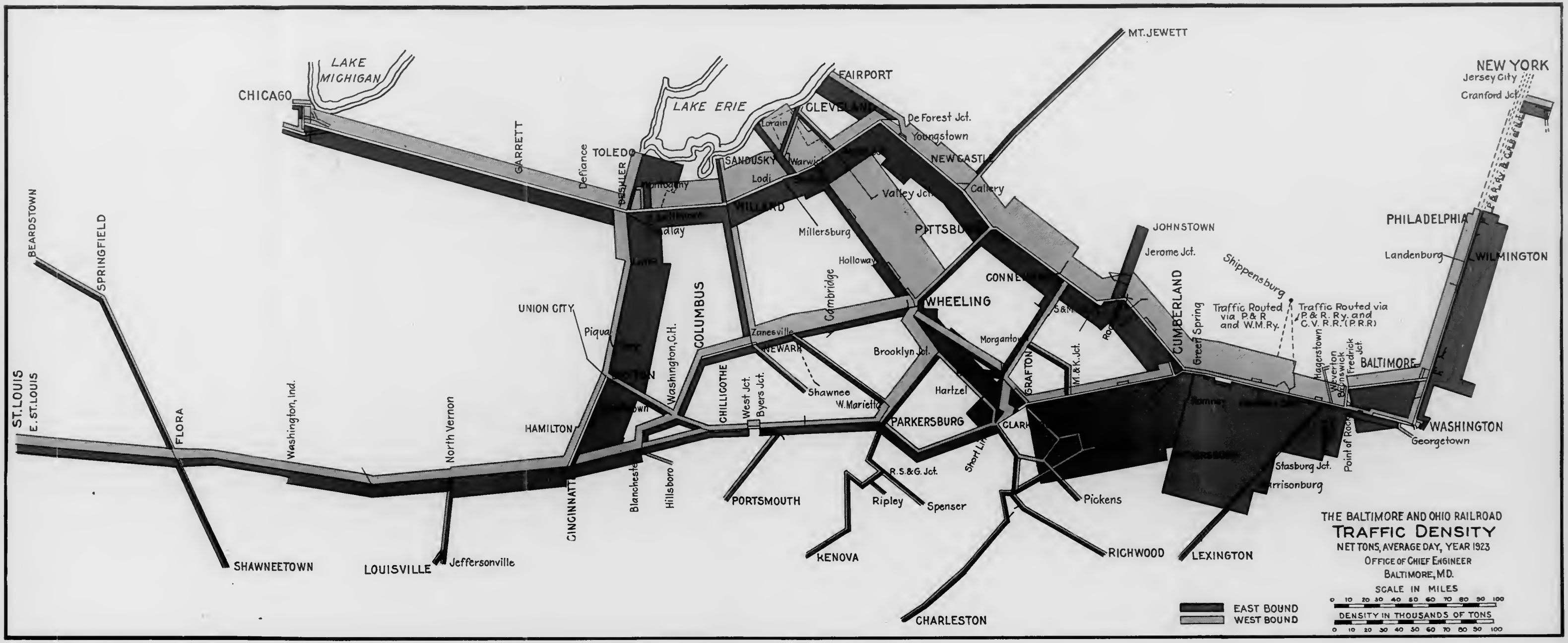

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TRAFFIC DENSITY
NET TONS, AVERAGE DAY, YEAR 1923
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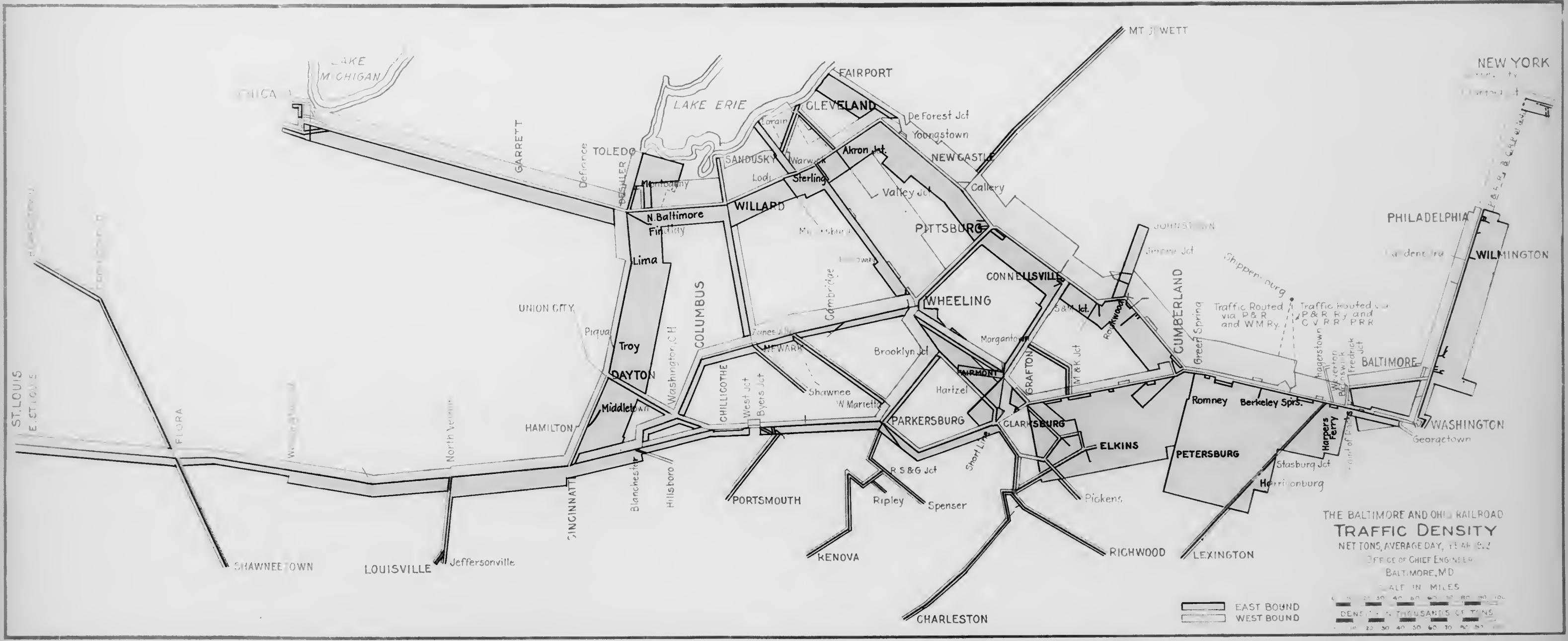

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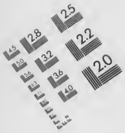
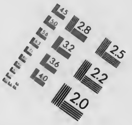

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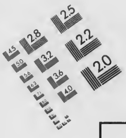
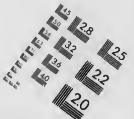
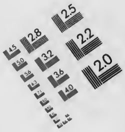
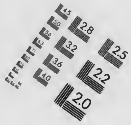

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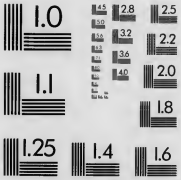

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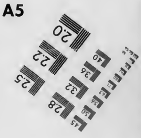
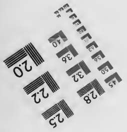

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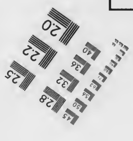
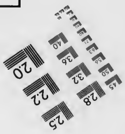

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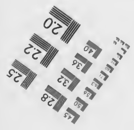
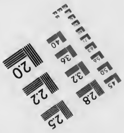

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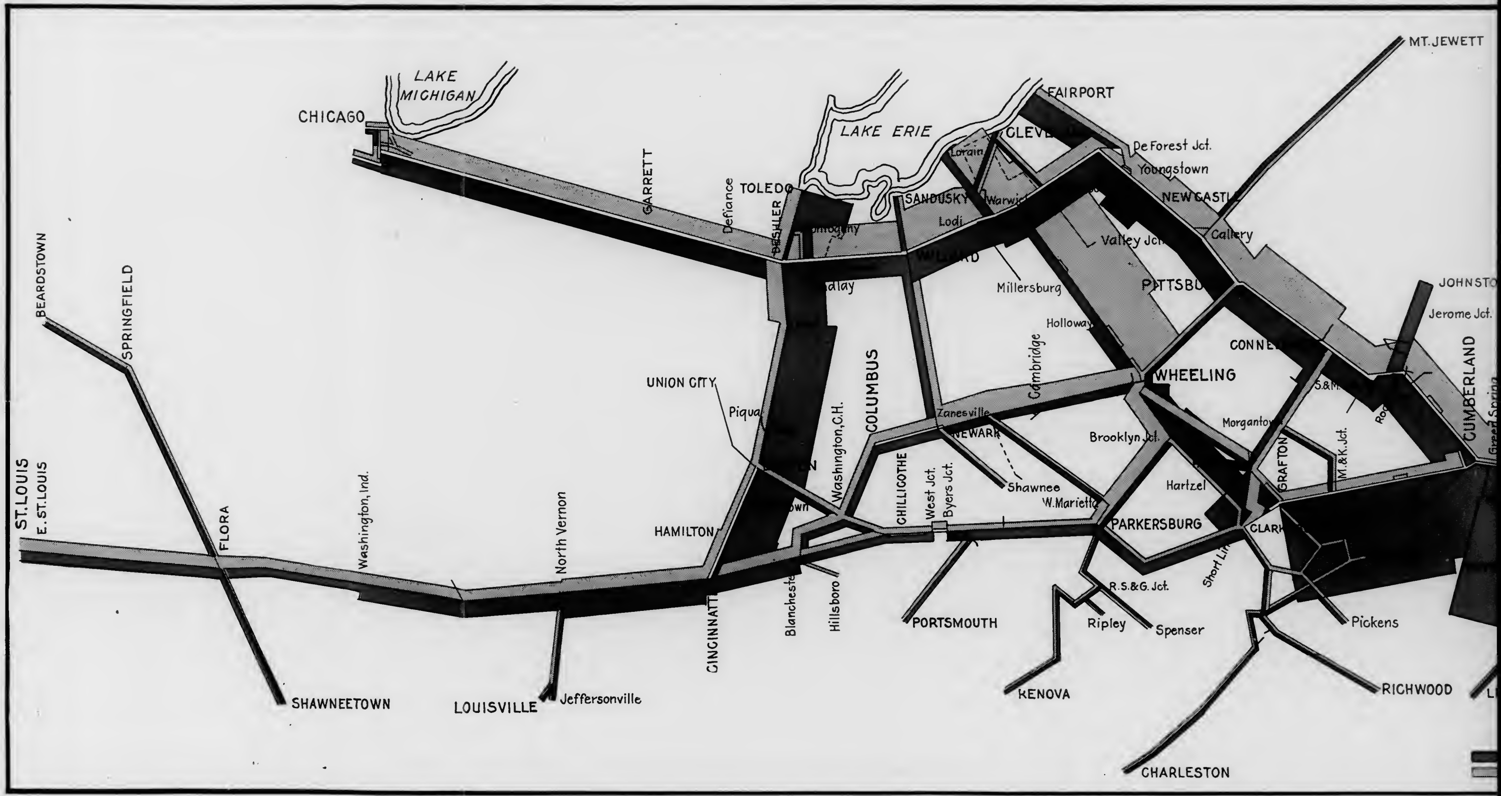
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Valley Jct
Callery
WILLARD
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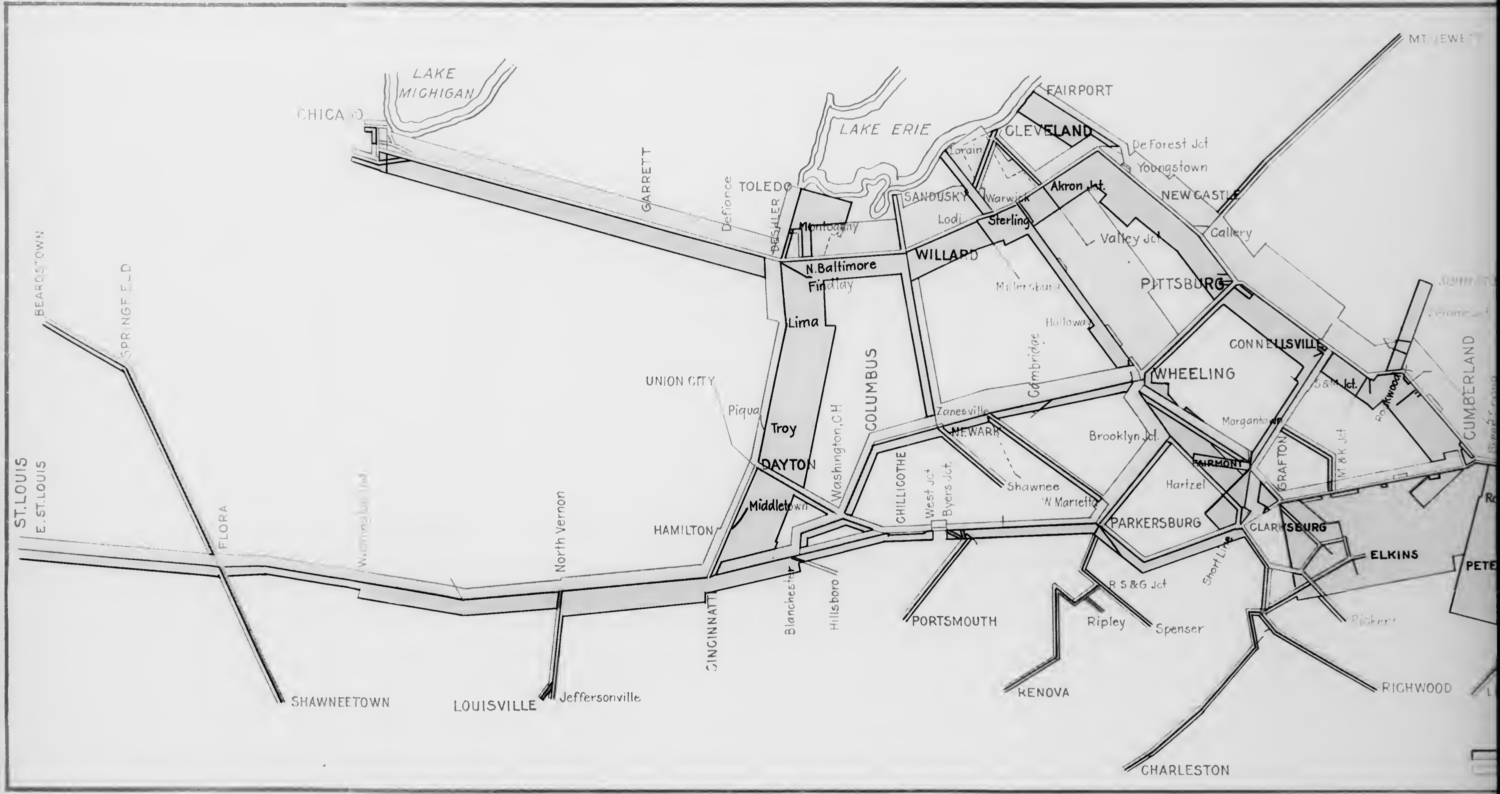
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ST. LOUIS
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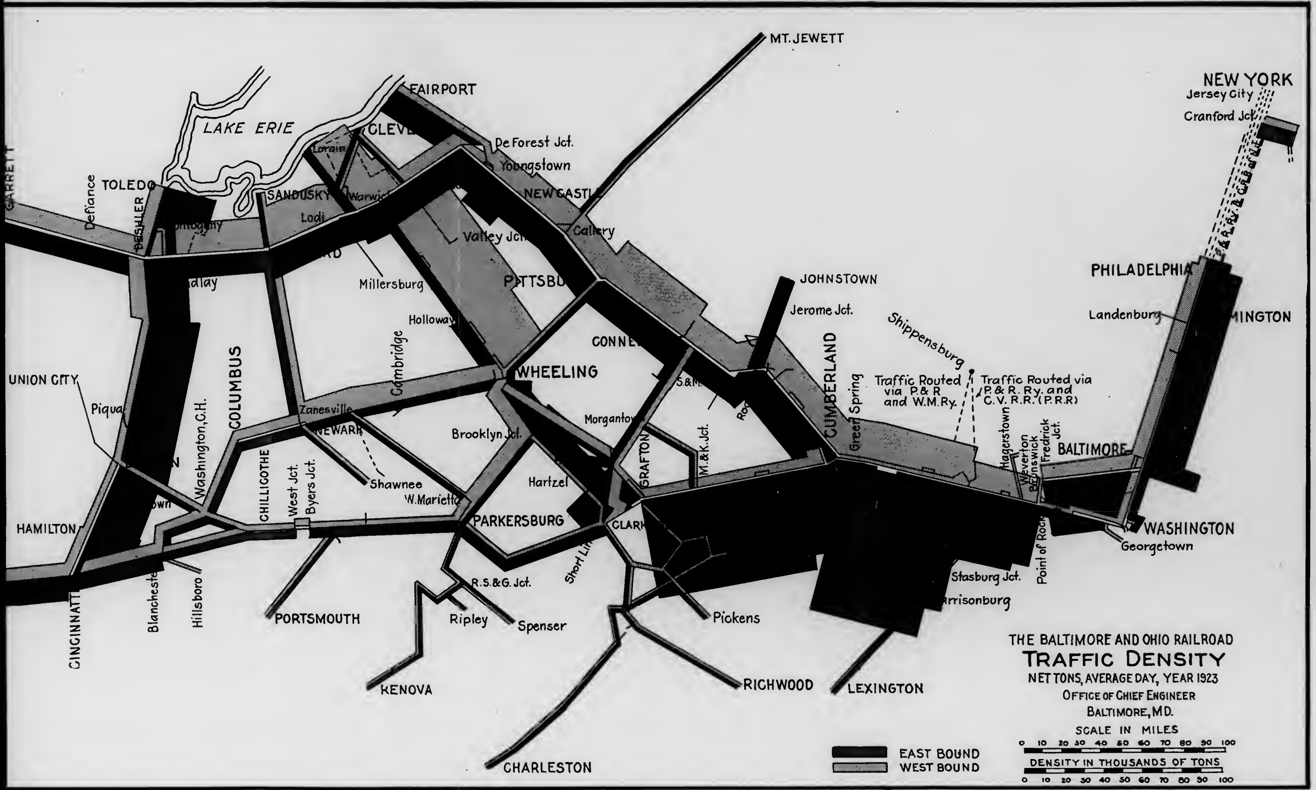


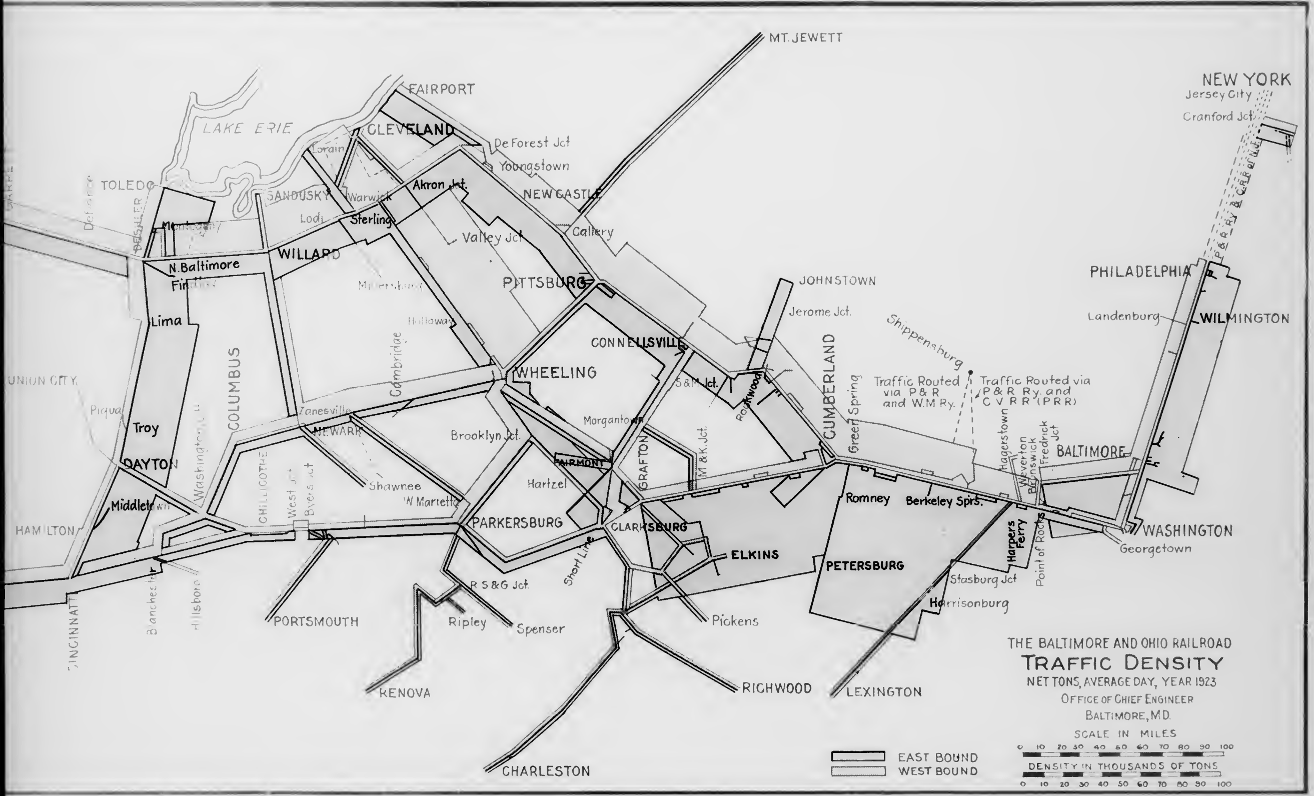
THE BALTIMORE AND OHIO RAILROAD

TRAFFIC DENSITY

NET TONS, AVERAGE DAY, YEAR 1923

OFFICE OF CHIEF ENGINEER

BALTIMORE, MD.



THE BALTIMORE AND OHIO RAILROAD

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